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ORDINANCE

AN ORDINANCE declaring the former sites of Fire Station 37 and Fire Station 38 surplus and authorizing the Director of the Department of Finance and Administrative Services to sell these sites through an open competitive process.

WHEREAS, the Fire Facilities and Emergency Response Levy Program ("Fire Facilities Program"), proposed under Ordinance 121230, was approved by Seattle voters on November 4, 2003; and

WHEREAS, the Fire Facilities Program included new facilities for Fire Station 37 and 38, and neither the Seattle Fire Department nor the Department of Finance and Administrative Services (FAS) have current or future needs for the former station facilities; and

WHEREAS, the funding plan for the Fire Facilities Program included revenues from sales of property no longer required for operations of the Seattle Fire Department; and

WHEREAS, by Resolution 30862, the City adopted amended Procedures for the Evaluation of the Reuse and Disposal of the City's Real Property, ("Procedures"), which established a uniform evaluation process for the reuse or disposal of real property the City owns in fee simple, including certain public notice and involvement procedures for decisions classified as complex; and

WHEREAS, no other City department or other government agencies requested jurisdiction over, or proposed a public use for, either of these properties; and

WHEREAS, the zoning and historic designation of these fire stations significantly limits the development potential and re-use possibilities for the sites; and

WHEREAS, the public comments received by the Department of Finance and Administrative Services through its public notification and comment solicitation process are broadly consistent with the limited development potential of the sites and the intent to use revenues from the sale of the properties to support the Fire Levy Program; and

WHEREAS, in view of the consistency of public comments with a public sale, the Executive proposes streamlining the disposition process, has included this streamlined approach in the Public Involvement Plan, which is included Clerk File 311622, and has proposed legislation authorizing the sale of the two properties at the same time that it forwarded Clerk File 311622 to the Council for review; and

WHEREAS, public comments received as a result of circulating the Public Involvement Plan to interested neighbors and the community, signs posted on the fire station properties and



related print and video media coverage were also consistent with the sale of these properties; and

WHEREAS, Section 5.H of the Procedures recognizes the City Council may approve alternative procedures for the reuse or disposal evaluation process for specific properties, and that such alternative procedures do not set precedent for subsequent dispositions; and

WHEREAS, it is in the interest of the City and the general public to sell these two fire station properties rapidly to avoid negative impacts on neighborhoods from vacant properties;
NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City of Seattle approves the steps taken as documented in the Public Involvement Section of the Final Report, which is included in Clerk File 311622, for each of the following described properties in King County, Washington:

PMA 134 (former Fire Station #37):

Lots 14-15, Block 1, Sunrise Heights Addition to the City of Seattle, according to plat thereof recorded in Volume 23 of Plats, page 39, records of King County, Washington.

PMA No. 135 (former Fire Station #38):

Lots 14-15, Block 8, University View Addition to the City of Seattle, according to the Plat thereof, recorded in Volume 13 of Plats, page 96, records of King County, Washington.

as the alternate procedure to evaluate and dispose of the two former fire station properties pursuant to Section 5.H of the Procedures adopted as amended by Resolution 30862.

Section 2. The properties identified in Section 1 are hereby found and declared to be no longer required for municipal purposes and are hereby declared surplus to the City's needs.



1 Section 3. The Director of the Department of Finance and Administrative Services or his
2 designee is authorized to offer the properties identified in Section 1 for sale by a competitive
3 process, and subject to the Director's approval, to accept the best offer for each property.

4
5 Section 4. The Director of the Department of Finance and Administrative Services or his
6 designee is authorized to negotiate a purchase and sale agreement or agreements and any
7 ancillary documents to transfer the properties to the selected purchaser or purchasers.

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9 Section 5. Proceeds from the sales authorized herein shall be used first to reimburse costs
10 incurred and paid by the Department of Finance and Administrative Services in connection with
11 the sale. The remaining proceeds shall be deposited in the 2003 Fire Facilities Subfund (34440).

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13 Section 6. Pending disposition, FAS may authorize short-term uses not to exceed six
14 months in length unless terminable upon 90 days notice.

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16 Section 7. This ordinance shall take effect and be in force 30 days after its approval by
17 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
18 shall take effect as provided by Seattle Municipal Code Section 1.04.020.



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3 Passed by the City Council the ____ day of _____, 2011, and
4 signed by me in open session in authentication of its passage this ____ day of
5 _____, 2011.

6
7 _____
8 President _____ of the City Council

9
10 Approved by me this ____ day of _____, 2011.

11
12 _____
13 Michael McGinn, Mayor

14
15 Filed by me this ____ day of _____, 2011.

16
17 _____
18 Monica Martinez Simmons, City Clerk

19 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services (FAS)	Hillary Hamilton / 684-0421	Jennifer Devore / 615-1328

Legislation Title:

AN ORDINANCE declaring the former sites of Fire Station 37 and Fire Station 38 surplus and authorizing the Director of the Department of Finance and Administrative Services to sell these sites through an open competitive process.

Summary of the Legislation:

The legislation declares two pieces of real property as surplus to the needs of the City. These are the former locations of Fire Station 37 in West Seattle and Fire Station 38 in the Ravenna Bryant neighborhood. The Director of Finance and Administrative Services is authorized to sell the properties using a competitive process, and to carry out necessary negotiations to complete the transaction.

Background:

Clerk File 311622 provides extensive background and analysis of reuse and disposition alternatives for each of the former fire station properties.

The Fire Facilities and Emergency Response Levy Program ("Fire Facilities Program"), proposed under Ordinance 121230, was approved by Seattle voters on November 4, 2003. Passage of the Levy enabled the construction of new facilities for Fire Station 37 (West Seattle) and Fire Station 38 (Ravenna Bryant). Both of these new stations are now operational, and firefighters have moved out of the older buildings. In addition, the funding plan for the Fire Facilities Program included revenues from sales of property no longer required for operations of the Seattle Fire Department.

Following the Procedures for the Evaluation of the Reuse and Disposal of the City's Real Property (as amended by Resolution 30862), the Department of Finance and Administrative Services (FAS) circulated notice of the availability of the two older buildings to other City departments and government agencies. No proposed uses were put forward by other City departments and Disposition policies and procedures call for City property to be sold if no current or future use has been identified.

FAS also contacted neighbors of each fire station and local community groups regarding potential reuse and disposition of the buildings. In the case of Fire Station 38, no specific reuse proposals were identified. Approximately 10-12 informal proposals for reusing Fire Station 37 were received by April 1, 2011, ranging from non-profit groups (2) to private residential uses (4) to retail/commercial businesses (2). However, zoning and the historic designation of both Fire Stations limit the development potential and re-use possibilities for the sites other than for

residential use. Clerk File 311622, which contains the Final Reports for each station, provides details concerning the highest and best use for the properties as well as the reuse proposals and other input received from the community. Given land use constraints on the properties, as well as the fact that the funding plan for the Fires Facilities Program included revenues from sale of the properties no longer required for Seattle Fire Department operations, FAS recommends the properties be sold through a competitive process. Fire Station 37 would likely be purchased for single-family use, while Fire Station 38 could be owner-occupied or adaptively reused under current zoning and landmark regulations for 3-4 residential units.

FAS has followed the required procedures for public involvement. The Preliminary Reports for each station were sent to the contact list, and signs were posted at each property. Following a 30-day comment period, the Final Reports were published and subsequently approved by the Real Estate Oversight Committee. Notice is provided as legislation is forwarded to the City Council, and there will be a minimum 14-day notice prior to the Council's public hearing on the proposed sale.

The legislation authorizes the Director of FAS to offer the properties for sale by competitive process and to accept the best offer for each property, subject to his approval. The Director is also authorized to negotiate a purchase and sale agreement and any ancillary documents to transfer each property to the selected purchaser.

Please check one of the following:

☐ **This legislation does not have any financial implications.**
(Stop here and delete the remainder of this document prior to saving and printing.)

☒ **This legislation has financial implications.** (Please complete all relevant sections that follow.)

Appropriations: N/A

Appropriations Notes: The purpose of the legislation is to sell city real property. No appropriation is required.

Anticipated Revenue/Reimbursement: Resulting from this Legislation:

Fund Name and Number	Departments	Revenue Source	2011 Revenue	2012 Revenue
2003 Fire Facilities Subfund (34440)	FAS	Net Proceeds from the sale of two fire stations		\$1.0 million est.
TOTAL				\$1.0 million est.

Revenue/Reimbursement Notes: The revenue estimate is based on in-house analysis of the current real estate market. As described in Clerk File 311622, the two former stations are both historic landmarks. While zoning and landmark status limit development potential, both sites have unique appeal to potential buyers. Therefore, it is difficult to forecast the likely sale price

for each of the buildings. The legislation authorizes FAS to utilize a competitive sales process. FAS anticipates hiring a real estate broker to market the two properties. An open, competitive process allowing enough time for potential buyers to consider the properties will support the City getting the best available value for the properties while avoiding the risks associated with retaining vacant property in the City's portfolio.

Any costs associated with the sale of the properties may be reimbursed from sales proceeds. The estimate of \$1.0 million for the sale of both properties is net of expenses associated with the sale.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation,
Including FTE Impact: N/A**

Spending/Cash Flow: N/A

What is the financial cost of not implementing the legislation?

The funding plan for the Fire Facilities Program includes revenues from sales of property no longer required for operations of the Seattle Fire Department. If the legislation were not implemented, funds to complete other projects in the Fire Facilities Program would need to be identified from other sources.

If the legislation were not implemented the City would incur additional security costs to maintain two vacant buildings if the legislation were not implemented, and potentially face cleanup costs for graffiti and/or illegal dumping. While hard to quantify, vacant buildings can be a detriment to the vitality of a neighborhood and potentially harm property values in the community.

Does this legislation affect any departments besides the originating department?

FAS is originating this legislation and will facilitate the disposition of these fire stations. Proceeds from the sale of these fire stations will be returned to the Fire Facilities Program on behalf of the Seattle Fire Department. Neither the Fire Department nor any other City department identified a future use for these two properties.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? None.

Is the legislation subject to public hearing requirements?

Disposition policies and procedures specify that the City Council generally should hold a public hearing on the sale of complex properties. Both of the two properties addressed in the legislation are classified as complex. FAS will assist with the 14-day notification requirements for the public hearing(s) as legislation is scheduled for hearing at the Council.

Other Issues: None

List attachments to the fiscal note below:

